

## Safe-Haven Metals Rally as Inflation Fears Ease



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### Lebanese Forex Market

|                      | 07/08/2026 | 31/07/2026 | % Change | YTD % Change |
|----------------------|------------|------------|----------|--------------|
| <b>Euro / LBP</b>    | 103,166.65 | 103,166.65 | 0.00%    | -1.76%       |
| <b>Euro / Dollar</b> | 1.1523     | 1.1528     | -0.04%   | -1.92%       |
| <b>NEER Index</b>    | 125.30     | 124.87     | 0.35%    | -44.42%      |

\*Prices are as of the time of writing this report

**The Nominal Effective Exchange Rate (NEER) of the Lebanese pound** rose by 0.35% this week, reaching 125.3 points, against a basket of 21 influential currencies, including the Euro and British pound, driven by the U.S. Dollar's strengthening.

## International Forex Market

|                               | 07/08/2026 | 31/07/2026 | % Change | Status       |
|-------------------------------|------------|------------|----------|--------------|
| <b>Dollars index = DXY</b>    | 99.96      | 99.91      | 0.05%    | Strengthened |
| <b>Euro (EUR/USD)</b>         | 1.1523     | 1.1528     | -0.04%   | Weakened     |
| <b>U.K. Pound (GBP/USD)</b>   | 1.3455     | 1.3482     | -0.20%   | Weakened     |
| <b>Swiss Franc (USD/CHF)</b>  | 0.8126     | 0.8076     | 0.62%    | Weakened     |
| <b>Chinese Yuan (USD/CNY)</b> | 6.7475     | 6.7515     | -0.06%   | Strengthened |
| <b>Japanese Yen (USD/JPY)</b> | 158.43     | 157.38     | 0.67%    | Weakened     |
| <b>Australia \$ (AUD/USD)</b> | 0.7028     | 0.7021     | 0.10%    | Strengthened |
| <b>Canadian \$ (USD/CAD)</b>  | 1.4022     | 1.4022     | 0.00%    | Weakened     |

\*Prices are as of the time of writing this report

In international currency markets, the **US Dollar Index**—a measure of the US currency's strength against a basket of six rivals— marginally rose by 0.05% this week to 99.96 points.

Safe-haven demand strengthened amid emerging doubts over an Iran peace deal, while rising oil prices on Friday fueled inflation concerns, lifting the dollar.

In addition, a Financial Times report, citing sources close to Federal Reserve Chair Kevin Warsh, suggested a possible September rate hike, driving Treasury yields higher and adding further support.

The closely watched U.S. payrolls report, due later on Friday, is expected to provide fresh guidance on the Federal Reserve's policy outlook. According to LSEG forecasts, job growth is projected at around 80,000 for July, following the prior month's modest 57,000 increase. Markets are bracing for the release, as the figures could shape expectations for a potential September rate hike and influence the dollar's trajectory.

| US Non-Farm Payrolls                                                                          |                  | Economic Indicators |               |               | Market Relevance    |                                   |
|-----------------------------------------------------------------------------------------------|------------------|---------------------|---------------|---------------|---------------------|-----------------------------------|
| Economic Indicator   Non-Farm Payrolls   Bureau of Labor Statistics, U.S. Department of Labor |                  |                     |               |               | High                |                                   |
|            | <b>Jul 2026</b>  | —                   | <b>57.00k</b> | <b>80.00k</b> | <b>83.60k</b>       | Updated 4-Aug-2026 at 03:30 PM    |
| US                                                                                            | Period (Monthly) | Actual              | Prior         | Reuters Poll  | Poll Smart Forecast | Next Release: 7-Aug-2026 03:30 PM |

## Safe-Haven Metals Rally as Inflation Fears Ease

According to Reuters' August 5, 2026 analysts survey, the US Dollar Index is projected to remain broadly firm in the next 12 months, with the strongest expected advance over the six-month horizon.

### Predicted Gains & Losses

| Index | 1M    | 3M    | 6M    | 1Y    |
|-------|-------|-------|-------|-------|
| DX    | 0.56% | 0.43% | 0.80% | 0.42% |

As the dollar strengthens, other currencies tend to weaken against it.

The **Japanese yen** weakened to 158.43 Yen for the Dollar from 157.38 Yen for the Dollar last week, losing most of its gains after the joint Tokyo-Washington intervention. This slide sparked speculation that authorities may intervene again to support the currency, despite its effectiveness decreasing. Pressure also came from a stronger dollar.



According to Reuters' August 5, 2026 analysts survey, the yen is expected to show short-term weakness before gradually firming over the longer horizon.

| CCY Pairs | 1M    | 3M    | 6M     | 1Y     |
|-----------|-------|-------|--------|--------|
| USDJPY    | 1.26% | 0.91% | -0.13% | -2.11% |

## MENA Forex Market

|                                  | 07/08/2026 | 31/07/2026 | % Change | Status       |
|----------------------------------|------------|------------|----------|--------------|
| <b>Egyptian Pound (USD/EGP)</b>  | 49.73      | 51.10      | -2.68%   | Strengthened |
| <b>Turkish lira (USD/TRY)</b>    | 47.6999    | 47.5078    | 0.40%    | Weakened     |
| <b>Syrian Pound (USD/SYP)</b>    | 121.50     | 121.50     | 0.00%    | Weakened     |
| <b>Iranian Rial (USD/IRR)</b>    | 1,374,122  | 1,374,055  | 0.00%    | Weakened     |
| <b>Kuwaiti Dinar (USD/KWD)</b>   | 0.30705    | 0.30707    | 0.00%    | Strengthened |
| <b>Moroccan Dirham (USD/MAD)</b> | 9.3177     | 9.3241     | -0.07%   | Strengthened |
| <b>Tunisian Dinar (USD/TND)</b>  | 2.9065     | 2.9345     | -0.95%   | Strengthened |
| <b>Algerian Dinar (USD/DZD)</b>  | 132.6067   | 132.2030   | 0.31%    | Weakened     |

\*Prices are as of the time of writing this report

N.B.:

- Saudi Riyal, UAE Dirham, Qatari Riyal, Bahraini Dinar, and Omani Rial are all pegged to the US dollar.
- The Kuwaiti Dinar is pegged to a basket of currencies that includes the dollar.
- Outside the GCC, the Iraqi Dinar and the Jordanian Dinar are also pegged to the US dollar.

Notably, the Egyptian Pound strengthened to 49.73 EGP for the dollar from 51.1 EGP for the dollar last week. Gains were supported by resilient tourism, with Egypt attracting visitors who perceive it as one of the region's safer choices during the ongoing conflict. The rally also received support from the EU disbursing \$1.7 billion to Egypt through its macro-financial assistance program, followed by IMF reviews under the Extended Fund Facility and Resilience and Sustainability Facility, which unlocked an additional \$1.8 billion.

## Commodities

|                 | Currency | 07/08/2026 | 31/07/2026 | % Change |
|-----------------|----------|------------|------------|----------|
| Gold (Spot)     | USD      | 4,300.32   | 4,042.67   | 6.37%    |
| Silver (Spot)   | USD      | 64.34      | 57.66      | 11.60%   |
| Brent Crude Oil | USD      | 83.04      | 87.93      | -5.56%   |
| WTI Crude Oil   | USD      | 77.55      | 84.67      | -8.41%   |

\*Prices are as of the time of writing this report

In commodity markets, gold rallied by 6.37% this week to reach \$4,300 per ounce, while silver surged by 11.6% to \$64.34 per ounce, supported by weaker oil prices. Hopes of peace in the Middle East drove inflation concerns down, easing fears of “high for too long” U.S. rates and supporting the non-yielding metal. However, markets remain divided over whether the Fed will hike rates in September.

In oil markets, **Brent** and **WTI crude** dropped by 5.56% and 8.41% this week to \$83 and \$77.6 per barrel, respectively. The declines reflected the resumption of US-Iran peace talks, despite renewed geopolitical risk in the Strait of Hormuz. Reports of explosions near Qeshm Island and Iranian strikes on “hostile targets” heightened uncertainty. Tehran’s draft agreement with Oman proposes barring US and Israeli vessels, demanding compensation from “hostile” nations, and imposing penalties equal to 20% of cargo value for violations, while insisting that full reopening of the strait hinges on the removal of the US maritime blockade.

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